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SUPREME COURT OF THE UNITED STATES

NO. 4 7 1

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1960

NO.

PREFORMED LINE PRODUCTS COMPANY

Petitioner

v.

ROBERT C. WATSON, COMMISSIONER OF PATENTS,

Respondent

PETITION FOR CERTIORARI

To The Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Petitioner, Preformed Line Products Company, respectfully prays that a writ of certiorari issue to the United States Court of Appeals for the District of Columbia Circuit to review the judgment of said court entered in the above-entitled cause on June 9, 1960, and docketed in that court as Appeal No. 15,270.

Opinion Below

The opinion of the United States Circuit Court of Appeals for the District of Columbia Circuit is reported at 280 F.2d 643, and is reproduced as an appendix to this petition. (pp. A-1 to A-4).

JURISDICTION

Judgment was entered by the U. S. District Court for the District of Columbia (C.A. No. 3229-54) dismissing the complaint on March 13, 1957. The U. S. Court of Appeals for the District of Columbia Circuit (Appeal No. 13938, decided June 26, 1958, 257 F.2d 664) entered judgment approving the judgment below, while provisionally vacating the latter to permit appellant to apply to the District Court for a new trial (Sup. J.A. 1-3). Petititon for rehearing denied September 4, 1958, without opinion. Certiorari denied January 26, 1959, (October term 1958, Petition No. 554, 358 U.S. 945).* Motion for new trial denied April 15, 1959. Appeal (No. 15,270) to the U. S. Court of Appeals for the District of Columbia Circuit was decided June 9, 1960, affirming the action taken below (280 F.2d 643).

Jurisdiction to review this case is based on Section 1254 (1) of the Judicial Code, as revised by the Act of June 25, 1948, [28 U.S.C. §1254 (1)].

QUESTIONS PRESENTED

1. Is the doctrine of separation of powers of government guaranteed by Articles I, II, and III, of the federal Constitution violated where a federal district court presumes to adjudge, *sua sponte*, certain claims unpatentable that had been patented by the Commissioner of Patents and concerning which no justiciable issue had been presented?

2. In *ex parte* actions under the Statute, 35 USC §145, against the Commissioner of Patents to authorize the issu-

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* The Solicitor General opposed issuing the writ partly on the merits and party because the judgment of the appellate court was not a final judgment, observing that petitioner would again have opportunity to apply for a writ of certiorari after final judgment. (Respondent's Brief, p. 9).

ance of a patent, does the District Court have jurisdiction voluntarily to entertain the question of patentability *vel non* of claims adjudged patentable in the Patent Office record?

3. Is not the *sua sponte* judgment by the Court, which purports to determine the question of the patentability *vel non* of claims already patented by the Commissioner of Patents, an unlawful usurpation of the administrative function by the judiciary, and a refusal to appellant of due process of the law?

4. Does not the language of the Statute, Title 35 USC §145, intend that the jurisdiction of the Court shall attach only as to the issues before the Board of Appeals of the Patent Office in *ex parte* cases?

5. In an interference proceeding, where the prevailing party before the Patent Office Board of Interference Examiners filed a statutory disclaimer of the claims at issue during pendency of an appeal from that judgment to the Court of Customs and Patent Appeals, what effect does such disclaimer have upon the judgment appealed from?

6. Upon motion duly brought, was it not within the original jurisdiction of the Commissioner of Patents to vacate the judgment of the Interference Board after the disclaimer and a concession of priority were filed? If so, did not the Patent Office Rules 262(a) and (d), and 263, make it mandatory upon him to do so?

7. In subsequent *ex parte* proceedings, where the Examiner applies the interference judgment adversely to appellant's right to certain claims, is not such action by the Examiner reviewable by the Patent Office Board of Appeals under 35 USC §7 and §134?

Statute Involved

Title 35 United States Code §145 (1952):

An applicant dissatisfied with the decision of the Board of Appeals, may, unless appeal has been taken to the United States Court of Customs and Patent Appeals, have remedy by civil action against the Commissioner in the United States District Court for the District of Columbia if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints. The court may adjudge that such applicant is entitled to receive a patent for his invention, as specified in any of his claims involved in the decision of the Board of Appeals, as the facts in the case may appear and such adjudication shall authorize the Commissioner to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the appellant.

Statement of the Case

The facts material to the questions presented are:

Thomas F. Peterson, assignor to petitioner, Preformed Line Products Company (hereinafter referred to as "petitioner"), is the inventor and applicant of two applications for patent pertaining to preformed helices for the reinforcement, splicing, armoring, and dead ending of electrical transmission lines and other wires and cables: the first, Serial No. 698,312, being filed in the United States Patent Office on September 20, 1946 (Pl. Ex. 1A-1B, Joint App. 170); and the second, Serial No. 2,200, as a partial continuation of the subject matter of the first, being filed January 14, 1948 (Pl. Ex. 2A-2B, Joint App. 348).

The claims of the first application were rejected *inter alia* on a United States patent to one Bodendieck, No. 2,414,136, issued January 14, 1947, on an application filed May 9,

1945 (Joint App. 508). Because of alleged identity of subject matter, certain claims appearing in the Bodendieck patent were copied into petitioner's first application for purposes of interference.[1] Petitioner was denied the Bodendieck claims by the Primary Examiner on the grounds that the disclosure of the first application did not support them. Petitioner appealed this ruling to the Patent Office Board of Appeals.[2] Pending decision by that body, petitioner filed the second application, with modified disclosure, and incorporated the identical Bodendieck patented claims therein as a matter of original record. An interference (Pl. Ex. 3, Joint App. 432) was declared between petitioner's second application and the Bodendieck patent as to those claims.

As to the first application, the Board of Appeals decided (Joint App. 232) that its disclosure did support the patented claims, and so reversed the Primary Examiner. Thereupon, petitioner moved to add the first application to the interference in support of its right to the issues thereof. The Primary Examiner dissolved the interference (Joint App. 445, 452) on the grounds that neither petitioner's first nor second application supported the claims at issue, but was ultimately persuaded to reinstate the interference, and to transmit it for final determination to the Board of Interference Examiners (Joint App. 457-459). Evidence was adduced by the parties to establish whether Peterson or Bodendieck was the prior inventor. But the Interference Board, while implying that Peterson was probably the first inventor,[3] turned its decision (Joint App. 467-479) on the Primary Examiner's earlier decision, holding lack of basis in both of petitioner's applications to sup-

1. 35 U.S.C. § 135. Reproduced in the appendix to this petition, p. A-15, A-16.

2. 35 U.S.C. § 7 and § 134. Reproduced in the appendix hereto, p. A-15.

3. Joint App. 476, lines 16 *et seq.*, 478 lines 15-20.

port the contested claims, and so awarded priority to Bodendieck on this ground.[4]

Petitioner appealed from this *inter partes* judgment to the United States Court of Customs and Patent Appeals,[5] during the pendency of which appeal, but before the formal petition to that Court, or the transcript of the record had been lodged therein, Bodendieck filed his statutory disclaimer[6] (Joint App. 489) of the contested claims, and also filed a concession of priority of invention (Joint App. 490) as to the subject matter of such claims in favor of Peterson. Peterson seasonably moved the Commissioner of Patents to vacate the Interference Board's judgment,[7] and to dismiss the appeal to the Court of Customs and Patent Appeals. The motion was denied (Joint App. 492) on alleged lack of jurisdiction in the Commissioner to entertain it. Upon notice by the patentee, Bodendieck, that the interference was terminated,[8] the Commissioner so ruled, and remanded the case to the Primary Examiner in the Patent Office for further action *ex parte* (Joint App. 503).

The Primary Examiner then finally rejected the patented claims derived from Bodendieck in both of petitioner's applications on the grounds that the Interference Board's judgment was in effect *res judicata* as to petitioner's right thereto.

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4. Patent Office Rule 258, reproduced in the adjoined appendix, p. A-19.

5. 35 U.S.C. § 141 and § 142, reproduced in the adjoined appendix, pp. A-16, A-17.

6. Then Sec. 4917 R.S., 35 U.S.C. § 65; now 35 U.S.C. § 253, appendix hereto, p. A-18.

7. Patent Office Rules 262 and 263, reproduced in the appendix hereto, pp. A-19, A-20, were invoked based on the original jurisdiction of the Commissioner. Note the District Court's order reproduced in the adjoined appendix, p. A-5, and Conclusion of Law 15 appearing at p. A-14.

8. Court of Customs and Patent Appeals, Rule XXV, reproduced herein, p. A-20.

On a second appeal *ex parte* to the Board of Appeals taken by petitioner from such final rejections, that body affirmed the Primary Examiner (Joint App.—1st appl'n 298; 2nd appl'n 420), and upon petition for reconsideration, held (Ibid. 340; 430) that it was without authority to review a decision of the Interference Board, or a ruling by the Commissioner of Patents, even under the guise of a final rejection by the Primary Examiner. Petition to the Commissioner invoking the supervisory authority of that office to direct the Board of Appeals to review this final rejection of the Primary Examiner as required by Statute was denied (Joint App. 348).

From this action petitioner proceeded by a bill in equity against the Commissioner of Patents to the United States District Court for the District of Columbia under the provisions of the Statute, 35 USC § 145. The District Court ruled that the Interference Board's judgment was a final judgment; and further held, *sua sponte*, that there was no patentable novelty in any of the claims before the Court, including the previously patented claims that constituted the issues of the *Peterson* v. *Bodendieck* Interference, and for these and other reasons dismissed the complaint.[10]

On appeal, the Circuit Court of Appeals, after briefs, oral hearing, and additional memoranda filed at the request of the Court, ruled that "We do not question the propriety of the District Court's action in raising, *sua sponte*, the issue of patentability *vel non*", inviting comparison with *Hill* v. *Wooster*, 132 U. S. 693, 698 (1890); *Knutson* v. *Galls-*

9. 35 U.S.C. § 7; 35 U.S.C. § 134, *supra*.

10. The decision of the District Court was rendered orally from the bench at the conclusion of the trial. It is reproduced in the Joint Appendix at pages 44-53; Judgment and Order settling findings of fact and conclusions of law, 24-26; the Findings of Fact and Conclusions of Law are set forth in the Appendix to this petition, pp. A-5 to A-14.

worthy, 82 U. S. App. D. C. 304, 306-308; 164 F. (2d) 497, 499-501 (1947); *Radtke Patents Corp.* v. *Coe*, 74 App. D. C. 251, 122 F. (2d) 937 (1941), but deemed that fairness required a trial of that issue before rendition of judgment.[11] Accordingly, the Appellate Court conditionally vacated the District Court's order, and gave petitioner sixty (60) days in which to apply to the District Court for a new trial without prejudice to further appellate action in the case, either as to the disposition of such application, or as to the outcome of the new trial if granted and prosecuted.

Should petitioner fail to proceed with the application for new trial within the time allotted, the Appellate Court ordered that the District Court's judgment would in that event be reinstated. No disposition of the jurisdictional question or any of the other issues on appeal were made, and petition for rehearing was denied without opinion.

Petitioner then moved the District Court for a new trial, offering the Bodendieck patent file history in which the interfering claims had been originally patented as evidence of their patentability. The application was denied, whereupon the second appeal to the Circuit Court of Appeals was taken which affirmed the action of the court below both in its initial judgment and in its denial of the motion for new trial without passing on the jurisdictional questions raised. (Decision reproduced herein in attached appendix, pp. A-1 to A-4.) From this decision, the present petition is brought.

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11. Decision reproduced in the Supplemental Joint Appendix A-1. See note 2 in the margin, p. A-3.

ARGUMENT FOR ALLOWING THE WRIT

There is No Constitutional Warrant for the Court's Assumption of Jurisdiction to Set Aside an Administrative Function Properly Exercised.

It is an established fundamental principle of constitutional law that one department of government cannot interfere with, or encroach upon, any of the other departments. The entertainment of the question of patentability *vel non* of claims, not in issue, that were patented by the Commissioner of Patents, and the *sua sponte* ruling against the patentability of such claims, are such an encroachment that cannot be justified by the reasoning applied in *United States* v. *Duell*, 172 U.S. 576, at 586-89. Thus, is the jurisdiction of the District Court to entertain the issue of patentability *vel non* under these facts brought into question.

There is no authority for the Court to enter a judgment on which there is no justiciable issue; to approve the *sua sponte* judgment of the Court against the patentability of claims not in issue is to deprive petitioner of due process.

The case of *United States* v. *Duell*, *supra*, decided that because the Commissioner's function is quasi-judicial, it is constitutional to grant a right of appeal from his ruling to the courts without conferring executive power upon the latter. In the *Duell* case, the record submitted for the determination of the Court embraced the issues before the Patent Office, and none other. The Court was discharging its statutory responsibility in passing on such issues, without trespassing upon the executive power of the Commissioner.

The facts at bar do not coincide with those of the *Duell* case. Certain claims had been adjudged patentable by the Commissioner of Patents, and had actually been patented to one Bodendieck, No. 2,414,136 (Joint App. 508-19). These claims were adopted in petitioner's first application,

and were adjudged to be supported by the disclosure thereof by the Board of Appeals over the objection of the Examiner (Joint App. 232-36).

The same claims were also asserted in the second application as a matter of original record (Claims 17, 18; Joint App. 360-61), pending the *ex parte* decision of the Board respecting applicant's right to make them in his first application. In the ensuing interference between the patentee Bodendieck and the second application, after the decision of the Board favorable to applicant's right to assert the issues in his first application, the applicant-interferant moved to add the latter to the interference, but was ultimately adjudged not to be entitled thereto in either application for lack of disclosure.[12]

The issues presented to the District Court as to these claims concerned only the point of whether or not applicant was entitled to assert them in his first application under the warrant of his disclosure, and as to the effect of the disclaimer filed by the patentee Bodendieck on the interference judgment adverse to appellant. There was no justiciable issue before the District Court regarding the patentability *vel non* of these claims.

The Supreme Court in *Butterworth* v. *Hoe*, 112 U.S. 50, as was reaffirmed in the *Duell* case, *supra*, held that it was the legislative intent of Congress to empower the Commissioner of Patents to grant or withhold patents to applicants therefor subject to judicial review prescribed by statute in case of decisions *adverse* to the applicant.

In trials *de novo* under the old Section 4915 R.S., now 35 U.S.C. §145, the justiciable issues in *ex parte* cases

12. A remarkable conclusion in light of the claims being of original record in the second case and tributary to its disclosure thereby. *Mark* v. *Hodgins*, 99 USPQ 23, 25; *Ex Parte Joshua*, 48 USPQ 650.

were necessarily those which arose from an applicant's assertion and the Commissioner's refusal of certain claims. Obviously, as to claims already awarded an applicant, there could be no issue in *ex parte* proceedings. The Commissioner, having exercised his discretion and determined the patentability of such claims, had satisfied the applicant's right thereto, thus foreclosing the need and the possibility of judicial process as to them.

The federal constitution creates three distinct and separate departments—legislative, executive, and judicial. *O'Donohue* v. *U. S.*, 53 S. Ct. 740; 289 U. S. 516.

It is an established and fundamental principle of constitutional law that one department cannot interfere with, or encroach on, either of the other departments.

Humphrey's Ex'r v. *U. S.*, 55 S. Ct. 869; 295 U. S. 602.

Springer v. *Gov't Philippine Is.*, 48 S. Ct. 480; 277 U. S. 189.

Massachusetts v. *Mellon*, 43 S. Ct. 597; 262 U. S. 447.

O'Malley v. *U. S.* appeal dismissed; *Pendergast* v. *U. S.*, 62 S. Ct. 116; 314 U. S. 574, and 63 S. Ct. 268, 317 U. S. 412 (reversing on other grounds).

No deviation from the constitutional requirement will be tolerated which impairs the essential integrity of one of the branches of the government. *Watkins* v. *U. S.*, 77 S. Ct. 1173; 354 U. S. 178.

As a general rule, in the absence of constitutional authorization, the judicial branch of the government cannot exercise powers and functions of the executive branch.

Slocum v. *Rwy. Co.*, 70 S. Ct. 577; 339 U. S. 239.

Aircraft & Diesel Equip. Co. v. *Hirsch*, 67 S. Ct. 1493; 331 U. S. 752.

Confederated Ute Indians v. *U. S.*, 67 S. Ct. 650; 330 U. S. 169.

Perkins v. *Lukens Steel*, 60 S. Ct. 869; 310 U. S. 113.

It is the duty of a Court to give effect to the proved official acts of the officers of the government in matters in which they have jurisdiction.

Cummings v. *Isenberg*, 67 App. D. C. 17; 89 F. 2d 489; Cert. den. 57 S. Ct. 783; 301 U. S. 682; Rehearing den. 57 S. Ct. 921; 301 U. S. 713.

The judicial branch may interfere with administrative activities of the executive branch only where a statute has imposed a specific duty on the courts with respect to them.

Cudahy Packing Co. v. *Fleming*, 122 F. 2d 1005, reversed on other grounds.

Cudahy Packing v. *Holland*, 62 S. Ct. 803; 315 U. S. 785—and not otherwise.

Bailey v. *Richardson*, 86 U. S. App. D. C. 248; 182 F. 2d 46; affirmed 71 S. Ct. 669; 341 U. S. 918.

Int'l Workers v. *McGrath*, 86 U. S. App. D. C. 287; 182 F. 2d 368; affirmed 71 S. Ct. 624; 341 U. S. 123.

Judicial power extends only to correction of an officer's failure to proceed according to and within the law, where constitutionality of the law authorizing the officer to act has been determined.

Kleberg & Co. v. *U. S. Custom & Pat. Appeals*, 71 F. 2d 332.

In the absence of clear evidence of a failure to exercise a legal discretion, a Court may not substitute its discretion or notion of expediency and fairness for that of executive or administrative officers, boards, and commissions, —

Aircraft & Diesel Equip. Co. v. *Hirsch*, *supra*.

SEC v. *Chenery Corp.*, 63 S. Ct. 454; 318 U. S. 80.

Texas R. R. Commission v. *Rowan & Nicholson Oil Co.*, 60 S. Ct. 1021; 310 U. S. 573; Rehearing den. 61 S. Ct. 66; 311 U. S. 614, and 61 S. Ct. 167; 311 U. S. 727.

U. S. v. *Geo. S. Bush Co.* (CCPA), 60 S. Ct. 944; 310 U. S. 371.

A. T. & T. v. *U. S.*, 57 S. Ct. 170; 299 U. S. 232.

Dismuke v. *U. S.* 56 S. Ct. 400; 297 U. S. 167; Rehearing denied 56 S. Ct. 594; 297 U. S. 728.

or interfere with or control such officers or bodies in the exercise of any power or the performance of any duty of an executive or administrative character, in which the constitution contemplates the exercise of discretion.

Aircraft & Diesel Equip. v. *Hirsch*, *supra*.

Am. Power & Light v. *SEC*, 67 S. Ct. 133; 329 U. S. 90.

Texas R. R. Com. v. *Rowan et al.*, *supra*.

Perkins v. *Lukens Steel*, *supra*.

Dow v. *Ickes*, 74 App. D. C. 319; 123 F. 2d 909, followed in

Gilbert v. *Ickes*, 74 App. D. C. 327; 123 F. 2d 917; Cert. den. 62 S. Ct. 639; 315 U. S. 807; Rehearing den. 912; U. S. 830.

Chief Justice Taney, speaking for the Supreme Court in the case of *Decatur* v. *Paulding*, 14 Peters 497, 515 said:

> "If a suit should come before this court, which involved the construction of any of these laws, the court certainly would not be bound to adopt the construction given by the head of a department. And if they supposed his decision to be wrong, they would, of course, so pronounce their judgment. But their judgment upon the construction of a law must be given in a case in which they have jurisdiction, and in which it is their duty to interpret the act of congress, in order to ascertain the rights of the parties in the cause before them. The court could not entertain an appeal from the decision of one of the secretaries, nor revise his judgment in any case where the law authorized him to exercise discretion or judgment. Nor can it, by *mandamus*, act directly upon the officer, and guide and control his judgment or discretion in the matters committed to his care, in the ordinary discharge of his official duties.
>
> * * *
>
> "The interference of the courts with the performance of the ordinary duties of the executive departments of the government, would be productive of nothing but mischief; and we are quite satisfied, that such a power was never intended to be given to them."

This case was cited and followed by the Supreme Court in the case of the *Commissioner of Patents* v. *Whiteley*, 4 Wallace (71 U. S.) 522, 534, which, in turn, is cited in *Butterworth* v. *Hoe*, at page 68.

The Supreme Court in *Massachusetts* v. *Mellon*, 262 U. S. 447, 488, had this to say respecting a separation of powers of government:

> "The functions of government under our system are apportioned. To the legislative department has been committed the duty of making laws; to the executive the duty of executing them; and to the judiciary the

duty of interpreting and applying them in cases properly brought before the courts. The general rule is that neither department may invade the province of the other and neither may control, direct or restrain the action of the other. We are not now speaking of the merely ministerial duties of officials. *Gaines* v. *Thompson*, 7 Wall. 347. We have no power *per se* to review and annul acts of Congress on the ground that they are unconstitutional. That question may be considered only when the justification for some direct injury suffered or threatened, *presenting a justiciable issue*, is made to rest upon such an act. Then the power exercised is that of ascertaining and declaring the law applicable to the controversy. It amounts to little more than the negative power to disregard an unconstitutional enactment, which otherwise would stand in the way of the enforcement of a legal right. The party who invokes the power must be able to show not only that the statute is invalid but that he has sustained or is immediately in danger of sustaining some direct injury as the result of its enforcement, *and not merely that he suffers in some indefinite way in common with people generally.* If a case for preventive relief be presented the Court enjoins, in effect, not the execution of the statute, but the acts of the official, the statute notwithstanding. Here the parties plaintiff have no such case. Looking through forms of words to the substance of their complaint, it is merely that officials of the executive department of the government are executing and will execute an act of Congress asserted to be unconstitutional; and this we are asked to prevent. *To do so would be not to decide a judicial controversy, but to assume a position of authority over the governmental acts of another and co-equal department, an authority which plainly we do not possess.*" (Emphasis added)

In *Security Exchange Commission* v. *Chenery Corp.*, 318 U. S. 80, 87, Mr. Justice Frankfurter rendered the opinion of the Supreme Court, as follows:

"• • • The grounds upon which an administrative order must be judged are those upon which the record discloses that its action was based.

• • • • • •

"• • • But it is also familiar appellate procedure that where correctness of the lower court's decision depends upon a determination of fact which only a jury could make but which has not been made, the appellate court cannot take the place of the jury. Like considerations govern review of administrative orders. If an order is valid only as a determination of policy or judgment which the agency alone is authorized to make and which it has not made, a judicial judgment cannot be made to do service for an administrative judgment. For purposes of affirming no less than reversing its orders, an appellate court cannot intrude upon the domain which Congress has exclusively entrusted to an administrative agency." (88)

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"• • • For the Courts cannot exercise their duty of review unless they are advised of the considerations underlying the action under review. If the action rests upon an administrative determination—an exercise of judgment in an area which Congress has entrusted to the agency—of course it must not be set aside because the reviewing Court might have made a different determination were it empowered to do so." (94)

Another case in point from this same Appellate Court to the Supreme Court is *Aircraft & Diesel Corp.* v. *Hirsch*, 331 U. S. 752, 767:

"The very purpose of providing either an exclusive or an initial and preliminary administrative determination is to secure the administrative judgment either, in the one case, in substitution for judicial decision or, in the other, as foundation for or perchance to make unnecessary later judicial proceedings. Where Congress has clearly commanded that administrative judg-

ment be taken initially or exclusively, the courts have no lawful function to anticipate the administrative decision with their own, whether or not when it has been rendered they may intervene either in presumed accordance with Congress' will or because, for constitutional reasons, its will to exclude them has been exerted in an invalid manner. To do this not only would contravene the will of Congress as a matter of restricting or deferring judicial action., It would nullify the congressional objects in providing the administrative determination. In this case these include securing uniformity of administrative policy and disposition,[25] expertness of judgment, and finality in determination at least of those things which Congress intended to and could commit to such agencies for final decision." (The footnote 25 refers to 89 Cong. Rec. 9928-29.)

Perhaps ancillary to the foregoing, is the proposition that a claim patented by the Commissioner of Patents is *prima facie* valid. The presumption of validity is overturned only by clear and convincing evidence. As stated by the Court, "The requirement of proof to sustain the burden is heavy." *Haloro, Inc.* v. *Owens-Corning Fibreglas Corp.*, 121 U. S. P. Q. 339, 340; 266 F. 2d 918, 919. This was an infringement suit involving a patent which the Appellate Court had authorized under a precedental action brought under 4915 R. S. (now 35 U.S.C. §145).

In the present proceeding, however, the Appellate Court did not question the propriety of the District Court's action in raising *sua sponte* the issue of patentability *vel non* of patented claims (Sup. J. A. 3), even in face of no justiciable issue presented to the point, and no evidence addressed to it. Whatever else may be concluded from these disparate views, it is clear that there are two standards for testing the validity of patented claims: (1) Where the issue is *inter partes* and raised defensively, the onus of him who pleads against the validity is heavy; (2) where as here,

the proceedings are *ex parte*, the presumption in favor of validity is so inconsequential as to be voidable at the whim of a court. It is hardly credible that such a double-standard could lawfully coexist when both classes of claims are patented under the fiat of the Commissioner of Patents by the authority of the Congress invested in that office (Constitution, Art. I, Sec. 8).

The *sua sponte* judgment of the District Court should be disapproved and overruled accordingly.

Denial of This Petition Would be Tantamount to Relegating the Functions of the Patent Office to the District Court:

An *ex parte* applicant under 35 USC § 145 brings his bill in the District Court, not to test the propriety of the actions taken that are favorable to him in the Patent Office, but for relief from the adverse rulings with which he is "dissatisfied" by the Board of Appeals in the Patent Office after all administrative processes have otherwise been exhausted. The language of the statute seems to leave no doubt that this was the legislative intent of the Congress.

> "An applicant *dissatisfied with the decision of the Board of Appeals* may . . . have remedy by civil action against the Commissioner in the United States District Court for the District of Columbia . . . The court may adjudge that such applicant is entitled to receive a patent for his invention, *as specified in any of his claims involved in the decision of the Board of Appeals*, as the facts in the case may appear and such adjudication shall authorize the Commissioner to issue such patent on compliance with the requirements of law." (Emphasis supplied)

It is not seen wherein a litigant under this section of the statute stands in any different capacity before the Court than do other litigants. It is trite law that the issues are

framed by the pleadings upon which they become joined. There was no issue joined on the pleadings in this case respecting the patentability *vel non* of the claims that comprised the issues of the *Peterson* v. *Bodendieck* Interference. They were before the Board of Appeals and before the Court below on the grounds of whether the judgment of the Interference Board is *res judicata* with respect to petitioner's right to them after being disclaimed under the statute[13] by the patentee Bodendieck ensuing such judgment.

The action of the trial Court in holding, *sua sponte*, that such claims were not patentable over the prior art,[14] over which they had been allowed in the Patent Office, was an action taken outside of the framework of the pleadings, and contrary to all the evidence and the posture of the parties before the Court. Therefore, a refusal by this Court to issue the writ sought by this petition would tacitly approve this extrajudicial course of action, and would be tantamount to relegating to the federal courts the administrative and quasi-judicial functions reserved by the Congress under the statutes to the Patent Office.[15]

Decision Below Not Consistent with Decisions of This Court

Butterworth v. Hoe, 112 U. S. 50 (1684):

In this case the Court analyzed the historic development of the Patent Statutes and concluded that the power of the Commissioner of Patents to issue a patent was absolute if he "shall deem it to be sufficiently useful and important"

13. Formerly Sec. 4917 R.S., 35 U.S.C. § 65; now 35 U.S.C. § 253. Reproduced in the appendix to this petition, p. A-12.
14. Joint App. 52; Findings of Fact 30, 31; reproduced herein, p. A-11.
15. *Butterworth* v. *Hoe*, 112 U.S. 50, 64, 68.

(p. 64), and that remedy by a bill in equity under §4915 (now 35 USC §145, §146)[16] is appropriate only when the Commissioner decides to reject an application for a patent on the ground that an applicant is not, on the merits, entitled to it (p. 68).

The office of the Commissioner of Patents, being by nature one which requires the discharge of a judicial function, has the first and final word in adjudging a claim patentable. If the Commissioner decides a claim is patentable on its merits, then his decision is not subject either to administrative or judicial review, the latter being invoked only in the case of *adverse* decisions on the merits by the Commissioner.

The present action by the District Court in declaring, *sua sponte*, unpatentable, claims that the Commissioner had adjudged patentable, is clearly opposed to the intentions of the statute as construed by this Court in *Butterworth* v. *Hoe*, *supra*.

Hill v. Wooster, 132 U. S. 693 (1889):

This case involved an interference contest between two parties, in which the patentability of the contested subject matter was passed upon by the appellate court for the first time. The losing party in the Patent Office brought his bill under §4915 R. S. in the Circuit Court. That court regarded only the question of priority of invention and entered its judgment accordingly.

On appeal to the Supreme Court, this body entered its opinion that nothing in the claims at issue constituted patentable invention.

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16. § 145, *supra*, pp. 3-4; § 146 is reproduced in the appendix hereto, p. A-17.

By the Court (p. 698):

> "It necessarily follows that no adjudication can be made in favor of the applicant, unless the alleged invention for which a patent is sought is a patentable invention."

The court observed that the litigation between the parties could not be concluded solely on the issue of priority when a determination of that issue would authorize the Commissioner to issue a patent to the prevailing party for the claims in interference, which would necessarily lend the court's sanction to the patentability of the invention involved.

> "But neither the Circuit Court nor this court can overlook the question of patentability."

It is a condition precedent to the declaration of an interference that the subject matter be adjudged patentable by the Commissioner (Patent Office Rule 201). There can be no interference unless the subject matter is patentable. Therefore, an *inter partes* contest, such as maintained in the *Hill* v. *Wooster* case, becomes a non-suit if the subject matter involved is not patentable. It is believed that this was the full of the intention of the court in its pronouncement in the *Hill* v. *Wooster* decision, and does not bear upon *ex parte* suits.

Hoover v. Coe, 325 U. S. 79 (1954):

This case was an *ex parte* action brought by an applicant for a patent under R. S. 4915 against the Commissioner of Patents. The question presented here was whether the District Court had jurisdiction under R. S. 4915 to review the refusal of a claim for patent as not reading on the disclosure of claimant's application. The trial court ruled with the Patent Office that the claim was not supported. On

appeal, the Circuit Court of Appeals for the District of Columbia Circuit raised the question, *sua sponte*, "whether (R. S. 4915) confers jurisdiction on the District Court to enter a decree which does not determine the right of the applicant to receive a patent, but which instead directs the Examiner to allow claims for the purpose of provoking subsequent interference proceedings." (p. 81)

The Appellate Court decided that the District Court lacked jurisdiction of the suit and affirmed the judgment, dismissing the complaint.

This Court, in a careful review of Sections 4915 and 4911 R. S., held that the District Court had jurisdiction over a suit taken from the refusal of the Board of Appeals of the Patent Office to issue a patent—whatever be the grounds for such refusal. By the Court (p. 83):

> "It is evident that alternative rights of review are accorded an applicant,—one by appeal to the United States Court of Customs and Patent Appeals, the other by bill in equity filed in one of the federal district courts. In the first the hearing is summary and solely on the record made in the Patent Office (with footnote reference to R. S. 4914, 35 U. S. C. §62); in the other a formal trial is afforded on proof which may include evidence not presented in the Patent Office (with footnote reference to *Butterworth* v. *Hoe*, 112 U. S. 50, 61). Every party adversely affected by a ruling on the merits may, if he so elect, proceed by bill rather than by appeal. In the one case the adjudication in equity authorizes issue of a patent on the applicant's 'otherwise complying with the requirements of law.' In the other the decision 'shall govern the further proceedings in the case' in the Patent Office (with footnote reference to R. S. 4911, *supra*)."

On the question as to whether the differences between the statutory provisions of R. S. 4915 and 4911 required

the holding that as to all decisions adverse to the applicant that are *not* final as to the issuance of a patent, his remedy had to be by review on appeal to the C. C. P. A., the Court pointed out that R. S. 4915 warranted no such construction, concluding (p. 84):

> "On the face of the statutes the applicant is given alternative remedies resulting in the same sort of relief so far as concerns the further prosecution of the application in the Patent Office."

This Court then proceeded to distinguish the *Hill* v. *Wooster* case, and the case of *Radtke Patents Corp.* v. *Coe*, 122 F. 2d 937, on both of which the Court below relied, pointing to the *inter partes* nature of both of these proceedings and its own ruling (in the *Hill* case) to the effect that in a suit by an unsuccessful applicant against a successful one, "* * * if it appeared that neither application disclosed invention (a matter which should have moved the Commissioner not to declare an interference) the bill should be dismissed. The Court did not purport to decide what Patent Office rulings are reviewable under R. S. 4915." (p. 90) The Court thus reversed and remanded for further proceedings in conformity with its opinion.

The Court, in this same decision, as noted above, compared the procedures available to applicants from adverse decisions in the Patent Office in both *ex parte* and *inter partes* causes, including the right to summary review to the Court of Customs and Patent Appeals, or the right to proceed by a bill in equity in the Federal District Court, these being mutually exclusive courses of action. There seems to be little doubt that this Court regards these courses of action as equal alternative ways of review in *ex parte* cases as affects an applicant's rights before the Patent Office according to the decision in *Hoover* v. *Coe*, *supra*. It is also apparent that this judgment of claims as

unpatentable (that had been held by the Patent Office to be patentable) could not happen in a summary review by the Court of Customs and Patent Appeals for obvious lack of jurisdiction over such claims. Therefore, according to the rationale of *Hoover* v. *Coe*, it should not happen in a trial in equity for the same reasons.[17]

Conclusions

From the foregoing decisions, a difference appears to arise between *inter partes* actions, as in the *Hill* v. *Wooster* case, and *ex parte* actions, such as *Hoover* v. *Coe*. The Court of Appeals for the Third Circuit in *Starlock Mfg. Co.* v. *Kublanow*, 106 F. (2d) 495, 500, regarded it necessary for the court, as guardian of the public interest in *inter partes* cases, to determine the patentability (validity) of the claims involved, though not in issue in the case.

Justice Stevens in his dissent (pp. 955, 956) in *Radtke Patents Corp.* v. *Coe*, 122 F. (2d) 937, suggests that the court is guardian of the public interest only in cases where the Commissioner of Patents is not before the court as a party to act in that capacity. This view of the law seems consonant with the authority of the Commissioner under the Patent Statutes as discussed in *Butterworth* v. *Hoe*, *supra*, and is not inconsistent with the decisions of this Court in *Hill* v. *Wooster* and in *Hoover* v. *Coe*, *supra*.

Although at one time *inter partes* and *ex partes* actions were both enabled under the provisions of §4915 R. S., they are now separately provided for in §145 and §146, respectively, Title 35 U. S. C. As such, the *stare decisis* of the one need not be applicable to the other, as is indicated by the

17. For a discussion of the extent of appellate jurisdiction over claims adjudged patentable in the Patent Office, attention is invited to the decision in *Watson, Commissioner of Patents* v. *Bruns*, 99 U. S. App. D. C. 327; 239 F. (2d) 948.

Hoover v. *Coe* and the *Hill* v. *Wooster* decisions by this Court, mentioned above. These decisions, coupled with that of *Butterworth* v. *Hoe*, are persuasive to the conclusion that where the Commissioner of Patents is present as a party to the action, his decision as to the patentability of the claims on their merits cannot properly be raised under the statute. Petitioner is before the Court in just such an *ex parte* status under the provisions of 35 U. S. C. §145.

The Statute does not affirmatively empower the District Court to attack such claims as being unpatentable. There is nothing in the *ex parte* cases decided by this Court which would sanction the action of the Court of Appeals below in approving such *sua sponte* ruling by the District Court, nor in implying jurisdiction in the latter to try the patentability, *vel non*, of such claims by allowing petitioner to apply for a new trial to test that issue.

Second Jurisdictional Question

The filing of the statutory disclaimer and concession of priority of the counts at issue by the patentee after judgment of the Board of Interference Examiners awarding priority to him, and during the pendency of an appeal to the Court of Customs and Patent Appeals from said judgment, poses several jurisdictional issues concerning which there are no direct precedents, leading to the conclusion that the case at bar is one of first impression.

As was done in this case, the timely filing of a notice of intention to appeal to the Court of Customs and Patent Appeals with the Commissioner of Patents, accompanied by a statement of the reasons for appeal, as provided in Title 35 U. S. C. § 142, confers appellate jurisdiction upon that Court, as construed by it in its decision in *Galena Mfg. Co.* v. *Superior Oil Works*, 26 CCPA, 1301; 104 Fed. (2d) 400. The appeal from the interference

judgment was, therefore, pending; the judgment of the Interference Board had not become final, and the interference proceeding was still in progress. Under this situation, the patentee Bodendieck filed his statutory disclaimer of the counts at issue of the interference and conceded priority of the subject matter thereof to Peterson.

Rule 262(a) (Pet. App. A-19, A-20, *infra*) provides:

> "An applicant or a patentee involved in an interference may, *at any time*, file a written disclaimer or concession of priority * * *. Upon the filing of such an instrument by any party, judgment shall be rendered against him." (Emphasis added.)

Rule 262(d) provides:

> "Such disclaimer, concession of priority, * * * shall operate without further action as a direction to cancel the claims involved from the application of the party making the same on termination of the interference on the basis thereof."

Rule 263 distinguishes statutory disclaimers from those made under Rule 262 for purposes of voiding the contest. This rule provides for the statutory disclaimer by a patentee and states:

> "The disclaimer referred to in rule 262, when made by a patentee in interference is not a disclaimer under 35 U. S. C. 253. If a disclaimer under the statute (see rule 321) cancelling claims involved in the interference from the patent, is made by the patentee, * * * the interference will be dissolved *pro forma* as to such claims."

In the present case, petitioner's opponent was a patentee and did file a statutory disclaimer, but since this also was accompanied by a concession of priority, reference is made to the above quoted portions of Rule 262, as well as to Rule 263. Since the Patent Office Rules, to the extent that

they are consistent with the law, have the effect of law, Rules 262 and 263 are binding upon the Commissioner to vacate the judgment of the Interference Board; to dismiss the appeal, and to dissolve the interference without prejudice to petitioner's right to assert the claims formerly at issue in the interference. This, however, he refused to do.

Third Jurisdictional Question

The Patent Office contends, and the courts below agree, that the interference terminated not upon the filing of the disclaimer, but thereafter, when petitioner's time for perfecting his appeal expired without his having done so. On this basis, it is contended by the Patent Office and the courts below that the judgment of the Interference Board became final and the issues raised thereby became *res judicata* in so far as subsequent proceedings before the Patent Office were concerned.

The Examiner, in the resumption of the *ex parte* prosecution of petitioner's applications, entered such rejection of *res judicata*, which was taken to the Board of Appeals of the Patent Office as one of the grounds of appeal reviewable under its statutory authority. The Board of Appeals refused to review this rejection on its merits on the basis that it was without jurisdiction to do so; because of the judgment of the Interference Board, and because of the actions taken by the Commissioner in refusing to vacate such judgment. This poses the third jurisdictional question which petitioner believes to be founded in error.

The statutory authority of the Board of Appeals of the Patent Office lies in 35 USC 7, and an applicant's right to a review by the Board of Appeals is set forth in 35 USC 134. No exception is made in these statutory provisions for the Board's refusal to review the rejection of the Examiner as has been entered against petitioner in the cases

at bar. The judgment of the Interference Board awarding priority to Bodendieck was a judgment predicated *not* upon the issues of priority, nor upon the sufficiency of the proofs adduced to support it, but rather turned upon the fact that petitioner's application did not disclose sufficient basis to support the interference claims, and particularly the earlier application.

Therefore, after the resumption of *ex parte* prosecution of those applications, the controlling precedent, amounting to the *law of the case* that remained in effect, was that of the decision of the Board of Appeals in the first *ex parte* Appeal No. 15,663, in which it was held that applicant (petitioner) had the right to make and maintain the interfering claims in his first application.

Thus, after the filing of the disclaimer, these claims should have been reallowed to applicant (petitioner) on the basis that his right to make them (i.e., sufficiency of disclosure) is *res judicata* to the Examiner, to the Board of Appeals, and higher authority, up to and including this Court. In this manner is the jurisdictional issue posed.

The Writ should issue.

Respectfully submitted,

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